## Message Text

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INFO OCT-01 AF-10 ISO-00 COME-00 TRSE-00 OMB-01 OPIC-03 CIAE-00 INR-10 NSAE-00 /033 W

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R 131040Z JUN 78 FM AMEMBASSY DAR ES SALAAM TO SECSTATE WASHDC 8897

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E.O. 11652: N/A TAGS: EINV, TZ

SUBJECT: EXPROPRIATION CASES IN TANZANIA

REF: (A) STATE 147810, (B) 77 DAR ES SALAAM 3977

AS REQUESTED REF A, FOLLOWING IS UPDATE OF STATUS OF COMPENSATION CASES SINCE SUBMISSION OF REF B.

1. CALTEX - DESPITE REPEATED INQUIRIES TO HARDSHIP COMMITTEE BY CALTEX AND TO TREASURY AND LANDS BY EMBASSY, THERE HAS BEEN NO APPARENT MOVEMENT TOWARD RESOLVING THIS CASE, ON 16 FEB, CALTEX WROTE TO ALL INVOLVED TANGOV OFFICES AGAIN REQUESTING SPEEDY COMPENSATION UNDER FOREIGN INVESTMENT PROTECTION ACT. LETTER NOTED THAT MINIMUM SAFETY MAINTENANCE WORTH \$6,300 URGENTLY REQUIRED AT STATION AND THAT CALTEX PREPARED FINANCE IMPROVEMENTS ONCE PROPERTY RETURNED OR COMPENSATED. DURING EMBASSY'S MONTHLY INQUIRIES ON THIS AND OTHER CASES, TREASURY REGISTRAR REGULARLY PROMISES TO GET VARIOUS TANGOV PARTIES TOGETHER TO RESOLVE THE MATTER. HE TOLD US HE HAS BEEN UNABLE DO SO AS OF 13 JUNE. (FYI: CALTEX HERE TAKES POSITION THAT ITS OPERATIONS IN TANZANIA LIMITED OFFICIAL USE

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GOING WELL AND SHOULD NOT BE JEOPARDIZED IN THE ATTEMPT TO OBTAIN PROPERTY COMPENSATION.)

2. VON ZASTROW - AS DESCRIBED REF B, TREASURY
AND MRS. VON ZASTROW REACHED MUTUALLY AGREEABLE
SETTLEMENT FOR ABOUT \$25,000 NET. SIGNED AGREEMENT
BECAME EFFECTIVE 11 NOV. TANGOV DEPOSITED SHILLING CHECK

ON 12 DEC. ATTORNEY APPLIED ON 28 DEC. TO BANK OF TANZANIA FOR CONVERSION TO FOREIGN EXCHANGE. TO DATE BANK HAS NOT COMPLETED PROCESSING OF APPLICATION. ON 4 APRIL EMBASSY WROTE TO DIRECTOR GENERAL OF BANK REQUESTING EXPEDITIOUS HANDLING OF MATTER ON GROUNDS OF HARDSHIP AND PREVIOUS TANGOV DELAY IN NEGOTIATING SETTLEMENT. WE ALSO ASKED TREASURY REGISTRAR TO INTERVENE. ON 30 MAY ECONOFF MET WITH DIRECTOR GENERAL TO EXPRESS OUR CONCERN OVER DELAY IN AUTHORIZING FOREIGN EXCHANGE PAYMENT. ECONOFF REFERRED TO US LEGISLATION ON MATTER AND REQUESTED EARLY ACTION. DIRECTOR GENERAL PROMISED LOOK INTO MATTER. WE REMINDED HIM OF CASE ON 13 JUNE.

- 3. STADLER/FORBES APPLICATION FOR CONVERTIBILITY DELAYED BECAUSE OF BANK OF TRANZANIA REQUIREMENT FOR ESTATE AND PROBATE DOCUMENTS. ATTORNEY HAS REQUESTED BUT NOT YET RECEIVED NECESSARY LEGAL PAPERS FROM STADLER/FORBES. HE EXPECTS DELAY OF 2 OR 3 MONTHS BEFORE APPLICATION CAN BE REACTIVATED.
- 4. CAPT. MAY DESPITE OUR REPEATED REPRESENTATIONS, MAY'S APPLICATION FOR CONVERTIBILITY HAS NOT YET BEEN APPROVED. REPORTEDLY CASE COMPLICATED BECAUSE IT LINKED TO APPLICATIONS FROM OTHER PARTNERS (GREEK NATIONALS) IN COFFEE ESTATE. WE HAVE WRITTEN TO BANK OF TANZANIA ON MATTER. SPAIN

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